

SBA's Small Business Training Network Presents.....

Marketing 101: A Guide to Winning Customers

One in a series of online training courses teaching entrepreneurs the fundamentals of starting and managing a business.



Course Script

GROWING A BUSINESS

www.sba.gov

Welcome to SBA's online training course, Marketing 101: A Guide to Winning Customers.

This program is a product of the agency's Small Business Training Network and is championed by the Office of Entrepreneurial Development.

I. chew / j. oconnor – 03-25-2008

Introduction

■ [Resources](#)
■ [Course Outline](#)

- Self-paced training exercise.
- Overview of basic marketing concepts & strategy.
- Subject matter indexed for quick reference and easy access by topic.
- Receive a printed Certificate of Completion from the SBA.



The course is a self-paced training exercise designed to provide a basic overview of marketing. It is a practical program with real-world examples and helpful tips.

The course is directed to small business owners who are interested in reaching a broader customer base.

You will find the course easy to follow and the subject matter indexed for quick reference and easy access. It will take about 30 minutes to complete. Additional time will be needed to review included resource materials and to complete the suggested next steps at the end of the course.

The highlighted “next steps” at the conclusion of the program will help you apply what you have learned and engage you in the process of marketing.

When you complete the course, you will have the option of receiving a printed Certificate of Completion from the SBA.

Click the forward button below to get started.

Course Objectives

■ [Resources](#)
■ [Course Outline](#)

1. Describe what marketing is and why it's important.
2. Define and describe how to conduct marketing research.
3. Explain how to develop a marketing plan and successful strategies.
4. Provide access to quality marketing resources.



This course has four key objectives:

One, describe what marketing is and why it's important.

Two, define and describe how to conduct marketing research.

Three, explain how to develop a marketing plan and successful strategies.

And four, provide access to quality marketing resources.

Course Outline

- [Resources](#)
- [Course Outline](#)

THE FOLLOWING SECTIONS MAKE UP THIS COURSE. TO GO DIRECTLY TO A SPECIFIC TOPIC, SIMPLY CLICK ON THE SECTION BELOW...

- 1) What is Marketing?
- 2) Market Research is Key
- 3) The Marketing Plan
 - Identify Target Markets
 - Products and Services
 - Pricing Strategies
 - Location, Place & Distribution
 - Promotion



© 2007 U.S. Small Business Administration

Slide 4

GROWING A BUSINESS

www.sba.gov

There are eight topic sections within the course. Each section covers a different aspect of marketing.

The course begins and sets the tone by defining what marketing is.

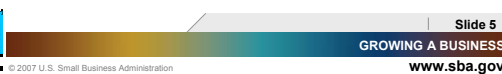
It then describes in some detail how to conduct market research and prepare a marketing plan.

Course Outline (cont)

- [Resources](#)
- [Course Outline](#)

THE FOLLOWING SECTIONS MAKE UP THIS COURSE. TO GO DIRECTLY TO A SPECIFIC TOPIC, SIMPLY CLICK ON THE SECTION BELOW...

- Competition
- Marketing Budget
- 4) Measure Performance
- 5) High Impact Strategies
- 6) Next Steps
- 7) Additional Assistance
- 8) Have a Question?



Practical, high-impact marketing strategies are also described to help you consider ways to win new customers.

In addition, “next steps” are outlined to directly engage you in the marketing process..... You can’t learn --- without doing and these suggested actions will help you understand and apply key marketing principles.

Lastly, numerous additional resources are identified to assist you.

You will notice a button in the top right section of each slide that says Course Outline. Clicking on that button will bring you to the course outline – which will give you quick access to any section of the course.

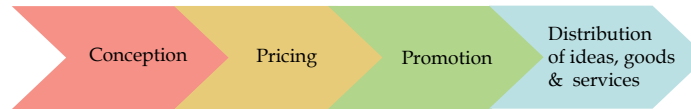
OK, let’s get started. To advance to the next section, click on the continuation button on the bottom of your screen.

What is Marketing?

■ [Resources](#)
■ [Course Outline](#)

The American Marketing Association defines marketing as

“the process of planning and executing...



to create exchanges that satisfy individual and organizational objectives.”



© 2007 U.S. Small Business Administration

Slide 6

GROWING A BUSINESS

www.sba.gov

The American Marketing Association defines marketing as “the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational objectives.”

A lot of words, but the key word is ---- **“satisfy.”** Your products and/or services should provide a solution to an unfulfilled need in the market place. The process of marketing BEGINS with discovering what products customers need and want to buy. You'll be facing an uphill battle if you provide something you want to produce and then try to convince someone to buy it.

The marketing process continues by establishing prices, letting potential customers know about products & services, and then making them available – while generating profits for the business.

Simply put, marketing is based on the importance of customers to the business. Two key principles stand out. First, company policies and activities should be focused on satisfying customer needs. Second, profitable sales volume is far more important than maximum sales volume.

Market Research is Key

■ [Resources](#)
■ [Course Outline](#)

Market research is *“the systematic gathering, recording, and analyzing of data about issues surrounding the marketing of goods and services.”*

Ask questions such as...

- 1) Who are your customers and potential customers?
- 2) How would you describe or “profile” your customers?
- 3) Where are your customers located?
- 4) Are you offering the right products and services at the right place, the right price, and in the right amounts?



Slide 7

GROWING A BUSINESS

www.sba.gov

It all begins with research. You can't be successful selling in or to a “market” you don't understand.

Market research does not have to be costly, nor does it have to be a complex process. It can be as simple as surveying a cross-section of your customers.

Other market research techniques include analyzing demographic data such as population changes, gender, income levels, age ranges, education levels and other information.

Whatever method you use, your focus should be on gathering enough information to determine who your potential customers are; what their needs are; and what products they would consider buying from a business like yours. Market research should answer questions such as:

- Who are your existing customers and potential customers?

- How would you describe or profile your customers?

- Where are they located?

- And, most importantly, are you offering the kinds of products and services customers want --- at the best place, at the right price, and in the right amounts?

Market Research is Key (cont)

■ [Resources](#)
■ [Course Outline](#)

Many tools, organizations and approaches are available to help you.....

- Internet
- Customer Surveys
- Maps
- Economic Development Organizations
- Trade Groups
- Census & Labor Department Publications
- Your Competition



U.S. Small Business Administration © 2007 U.S. Small Business Administration

Slide 8

GROWING A BUSINESS

www.sba.gov

Market research is not a perfect science, but understanding your market is critically important. There are many ways to conduct research, simply and easily. Some helpful methods include:

- Use the Internet. It is an incredible research tool. Use it, with “search engines” to find local demographic data, competitors, view site maps, find documents and much more.
- Develop simple customer surveys. They can be very helpful and you will be surprised at what you can learn.
- Review local maps. They are a great way to understand an area and to put a “market” in perspective.
- Use economic development agencies and trade groups. They are powerful resources available to help find all types of market and demographic information.
- Review Census and Labor Department data and publications.
- And lastly, don’t be shy about learning from your competitors – studying their customers, what they sell, traffic levels and any other market information you can find out.

Links to multiple demographic resources are available at the conclusion of this course.

The Marketing Plan

■ [Resources](#)
■ [Course Outline](#)

Components of the Marketing Plan

- Identify Target Markets
- Description of Products and Services
- Pricing Strategy
- Location, Place & Distribution
- Promotion
- Competition
- Marketing Budget



© 2007 U.S. Small Business Administration

Slide 9

GROWING A BUSINESS

www.sba.gov

OK... you've done your research, so how do you pull it all together to reach your customers? The answer is preparing a meaningful marketing plan.

The marketing plan is the heart of any business. It is a blueprint of strategies designed to help you win customers. Your marketing plan – which is generally included within the overall business plan, should consist of several key components. These components or strategies include: identify your target market; define your products and services; outline your pricing strategy; describe how your products will be distributed; develop a promotion strategy; review your competition; and prepare a marketing budget.

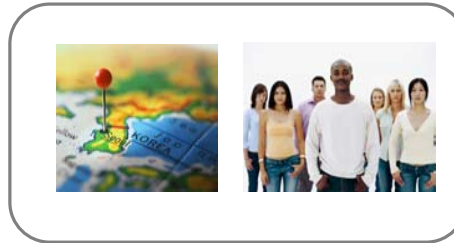
Each of these components or strategies will be discussed in the following sections. All of them are important. However, its important to note that once your target market is identified, your plan is designed to apply strategies around the marketing mix or 4p's of marketing – product, price, place and promotion.

Identify Target Markets

■ [Resources](#)
■ [Course Outline](#)

Marketing Plan – Strategies

Geographical and Customer Segmentation



Slide 10

GROWING A BUSINESS

www.sba.gov

Owners of small businesses usually have limited resources to spend on marketing. Concentrating their efforts on one or a few key market segments - target marketing - gets the most return on investment. There are two methods used to segment a market:

Geographical segmentation...

That is, specializing in serving the needs of customers in a particular geographical area. For example, a neighborhood convenience store may send advertisements only to people living within a one-mile radius of the store.

And, customer segmentation...

That is, identifying people who are most likely to buy your products or services --- and then targeting those groups. For instance, if you are in the business of selling surf boards, you want to target people who are engaged in or at least interested in the sport of surfing. Reaching out to baby-boomers in a retirement magazine may bring in a few energetic prospects, searching for their youth, but you probably won't sell a lot of surf boards.

Identify your target market by location, age, gender, education, income and interests. Learn to know your customers better than anyone.

Description of Products and Services

■ [Resources](#)
■ [Course Outline](#)

Marketing Plan – Strategies

- Identify and describe all products and services
- Narrow product line
- Highly specialized product or service
- Quality service

Sample decisions

- Name
- Packaging
- Quality
- Warranty



Slide 11

GROWING A BUSINESS

www.sba.gov

The product aspects of a good marketing strategy relate to the actual goods and services being sold and how they satisfy the customers' needs and desires. Your plan should clearly identify and describe your products and services, as they relate to supporting the needs of your customers.

Remember, it's all about the customer. Product strategies may include concentrating on a narrow product line, developing a highly specialized product or service, or providing a product with an unusually high-quality service program. Other product decisions will focus on the product name, packaging, warranty and other factors. Bottom-line -- the product has to meet the needs of the customer.

Pricing Strategies

■ [Resources](#)
■ [Course Outline](#)

Marketing Plan - Strategies

- The right price is crucial for maximizing total revenue
- Higher price, lower volume

Sample decisions

- Actual retail price
- Volume discounts
- Seasonal pricing



Slide 12

GROWING A BUSINESS

www.sba.gov

Pricing is about setting the price, including establishing discount levels, for your products and services.

The right price is critical for maximizing revenue and profits. Generally, higher prices mean lower volume and vice-versa. However, if your products or services are unique and different from competitors, you may be able to charge higher prices without a reduction in volume.

There are a number of pricing decisions you can make to support a sound marketing strategy for your business.

Everyday we come in contact with pricing strategies applied by other entrepreneurs. Learn from the success of others and your own buying habits. It is important that you keep abreast of changes in the marketplace because these changes can have an effect on your bottom line.

Promotion

■ [Resources](#)
■ [Course Outline](#)

Marketing Plan – Strategies

Strategies

- Advertising
- Customer service
- Internet banners & links
- Search engine optimization strategies
- Good salesmanship!

Sample decisions

- Advertising options
- Sales and promotions
- Public relations and image



Slide 13

GROWING A BUSINESS

www.sba.gov

Promotion is key. It is important that you develop a strategy that uses various media to promote your business and that you monitor which promotional activities are most effective. Promotion includes advertising, sales promotion and publicity. It refers to the various methods of promoting your product, brand or company.

Promotion strategies include advertising, providing incredible customer service, Internet banners, search engine optimization, radio spots, flyers, coupons and darn good salesmanship. Because small firms often have limited funds to spend on advertising, it's absolutely critical to deliver consistent good salesmanship to retain customers.

In terms of decisions, you will have to consider advertising options, sales and promotions, and the image you want your business to reflect to the public.

Location, Place & Distribution [Resources](#) [Course Outline](#)

Marketing Plan - Strategies

- Consider cost and traffic flow in site selection.
- Working through established distributors and manufacturers' agents is generally easiest for small businesses.

Sample Decisions

- Customer convenience
- Order speed
- Transportation
- Warehousing
- Online sales



Place refers to how the product gets to the customer. Specifically, it refers to the channel by which a product or service is sold or distributed.

Retail businesses should consider the cost and traffic flow in selecting a site, especially since advertising and rent can be reciprocal -- that is a low-cost, low-traffic location likely means spending more on advertising to build traffic. Manufacturing and wholesale firms must also consider the costs associated the distribution of their products.

In terms of your marketing strategy, you will need to consider ease and cost of product distribution. Decisions will focus on customer convenience, speed, transportation, warehousing and eCommerce options.

Competition

■ [Resources](#)
■ [Course Outline](#)

Marketing Plan - Strategies

- Identify your competitors
- Describe strengths and weaknesses
- Keep files on strategies
- Learn from others



U.S. Small Business Administration © 2007 U.S. Small Business Administration

Slide 15

GROWING A BUSINESS

www.sba.gov

You will be surprised at how much you can learn from your competitors. There is nothing wrong with becoming a student of your competition. Many successful marketing strategies have been born from ideas tested by others.

As an initial strategy, identify five business competitors in your area. Start a file on each, identifying their strengths and weaknesses. Keep files on their advertising and promotional materials, as well as their pricing strategies. Review these files periodically. Remember, a company is not likely to continue a strategy if it doesn't work. Pay particular attention to strategies that are repeated.

And, always, ask yourself – “what can you do to improve upon what your competition is doing?”

Marketing Budget

■ [Resources](#)
■ [Course Outline](#)

Marketing Plan - Strategies

- It takes money to reach customers.
- Identify costs associated with specific advertising, promotional materials and media campaigns.



Slide 16

GROWING A BUSINESS

www.sba.gov

Operating an effective marketing plan with meaningful strategies requires money. You will have to allocate funds from your operating budget to cover research, advertising, promotion and all costs associated with marketing.

Develop a marketing budget that is realistic and based on facts. Remember, it takes money to make money.

Measure Performance

■ [Resources](#)
■ [Course Outline](#)

- How does the performance of my company compare with industry norms?
- Do I know for certain my marketing efforts are effective? How?
- Is my company doing all it can to be customer-oriented?
- Are my customers satisfied?



Slide 17

GROWING A BUSINESS

www.sba.gov

A good marketing plan and strategy include a process to evaluate the results of your efforts. You've probably heard the phrase, "if you can't measure it, you can't manage it." And, "if you can't manage it, it's probably not worth doing." A lot of truth here.

Measuring performance means addressing questions like:

- How does the performance of my company compare with industry norms?
- Do I know for certain my marketing efforts are effective? How?
- Is my company doing all it can to be customer-oriented?
- Are my customers satisfied?

Think about these questions. These are sample questions, but are representative of the types of questions that should be asked to create benchmarks --- so that performance results can be measured over time. Obviously, you want to make certain that whatever marketing efforts you implement – have a positive impact on performance.

High Impact Strategies

■ [Resources](#)
■ [Course Outline](#)



Survey Your Customers

- Understand your customers
- Learn what they like and don't like
- Listen and react



Follow Up on Every Sale

- Ask customers about their experience
- Learn from this exchange
- Make improvements



Section 8: Next Steps

Slide 18

GROWING A BUSINESS

www.sba.gov

Business success comes from satisfying customer needs and providing incredible customer service. Many strategies are available to help reach new customers and keep existing customers.

Highlighted for consideration are several high impact strategies. Each of these marketing approaches is -- low-cost, proven to be effective and easy to implement.

Survey your customers – this is a simple, but very effective way to learn about your customers. Ask them what they like and dislike about doing business with you. Ask them how you compare to the competition and what additional things you could do to benefit them. Inquire and listen to your customers – a very powerful marketing strategy.

Follow-up on every sale – all right, maybe not every sale, but make an effort to ask many customers about their experience with your business. Learn from this exchange. Make improvements based on what customers tell you.

High Impact Strategies (cont)

■ [Resources](#)
■ [Course Outline](#)



Write an Article

- Prepare an article that adds value to your community & mentions your company
- Could be free advertisement

Have an Online Presence

- Be searchable
- Consider services like Google AdWords



Start a Blog

- Reach out to narrowly-focused groups
- Over 100 million active blogs
- Excellent strategy for reaching customers



Section 8: Next Steps

Slide 19

GROWING A BUSINESS

www.sba.gov

Write an article – on a topic that adds value to your community and mentions your company. Local newspapers are always looking for fresh, interesting articles for their readers. Many small businesses have gotten free advertising from articles that support the community and mention the company. The key --- prepare an article that is interesting and has a local flavor. An advertisement, **disguised** as an article will never get published.

Have an online presence – the internet is a great way for you to reach potential customers. For example, a restaurant would want to make sure that its menu, phone number, and address can be found online. Also consider online advertising services like GoogleAds, which can help you reach more of your target market at an affordable pay-per-click rate.

Start a blog - it is estimated that there are over 100 million active blogs. They are powerful communication vehicles and are a mainstay of the under 30 crowd. The bottom-line, starting and/or participating in a blog can be an excellent strategy for reaching customers, especially the young at heart.

High Impact Strategies (cont)

■ [Resources](#)
■ [Course Outline](#)



Free Samples and Gifts

- People love free stuff
- Great way to attract prospective customers
- Many successful products have been introduced as samples and gifts



Seminars and Demonstrations

- People love free stuff, especially if its helpful
- Look for ways to add value
- End by closing the sale



Section 8: Next Steps

Slide 20

GROWING A BUSINESS

www.sba.gov

Free samples and gifts – people love free stuff. Admit it, how many times have you gone out of your way to get a free gift? What better way to attract prospective customers than to give something away? Food and beverages are natural candidates, as are pens, mugs and other articles. In addition, free samples have historically produced great successes, from the free nibbles that launched cookie stores to the mass mailings and giveaways that introduced products ranging from cereals to Post-It notes.

Seminars and demonstrations – as we just mentioned, people love free stuff. This is particularly so if it's helpful. Free seminars and demonstrations can be very effective. Look for ways to help your customers and add value to their knowledge base. Once you have helped them and gained their confidence, then introduce them to your products and services. Make sure you give participants an easy, compelling way to buy your products or services before they leave. Many successful sales have been generated through free seminars and demonstrations.

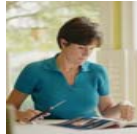
High Impact Strategies (cont)

■ [Resources](#)
■ [Course Outline](#)



Good Signage

- Excellent way to get customers' attention
- Do not under-estimate the power of signs



Coupons

- Proven method of generating interest
- Easy to measure effectiveness
- Repetition is key



Stay Alert

- Learning from others is a powerful strategy
- Watch for new trends, look for weaknesses and follow what works



Section 8: Next Steps

Slide 21

GROWING A BUSINESS

www.sba.gov

Good Signage – is an excellent way to get the attention of customers. Signs, even very simple ones, are very effective marketing tools. How many times have you purchased something, because it was brought to your attention by a sign? Signage is also necessary to help, direct and inform customers. Do not under-estimate the value of good signage.

Coupons - offer a proven method of generating interest. Hand them out at the cash register. Distribute them through your sales force. Include them in a coupon pack prepared by a direct-mail advertising house. Coupons can be an inexpensive, but effective target marketing strategy. Like all other forms of advertising, coupons work best with repetition. Measure their effectiveness simply by counting the number redeemed.

Stay Alert – earlier we talked about learning from others. This is one of the most powerful strategies a small business can apply. Observe, listen and know your customers. Study your competition. Be alert. Watch for new trends, look for weaknesses and follow what works. There is no shame in learning from others and there is much to be gained by staying alert.

Next Steps

■ [Resources](#)
■ [Course Outline](#)

Put what you have learned into action....

Step 1) Describe the customer needs your company currently fulfills or will satisfy.

Step 2) Identify who your customers are and describe how they can be targeted for direct marketing efforts

Step 3) Identify marketing approaches taken by other companies that appeal to you. Ask yourself and others how such approaches could be used to enhance marketing efforts of your company.

Step 4) Prepare a marketing strategy/plan and discuss it with a mentor, business coach, or SBA representative.



Section 8: Next Steps

Slide 22

GROWING A BUSINESS

www.sba.gov

Now that you have completed the course, take the next steps. Put what you have learned into action.

Step 1. Describe the customer needs your company currently fulfills or will satisfy.

Step 2. Identify who your customers are and describe how they can be targeted for direct marketing efforts

Step 3. Identify marketing approaches taken by other companies that appeal to you. Ask yourself and others how such approaches could be used to enhance marketing efforts of your company.

Step 4. Prepare a marketing strategy/plan and discuss it with a mentor, business coach, or SBA representative.

Additional Assistance

- [Resources](#)
- [Course Outline](#)

THERE ARE A NUMBER OF RESOURCES TO HELP YOU BETTER MANAGE AND GROW YOUR SMALL BUSINESS...

1. [SBA District Offices](#)
2. [Small Business Development Centers \(SBDCs\)](#)
3. [SCORE: Counselors To America's Small Business](#)
4. [Small Business Development Training Network \(SBTN\)](#)
5. [Women's Business Centers \(WBCs\)](#)



Section 7: Course Resources

Slide 23

GROWING A BUSINESS

www.sba.gov

Many resources are available to assist you. The following resources can help you build a foundation of knowledge.

- SBA has over 60 district offices located throughout the country to help you start and grow your business.
- There are more than **1,000 Small Business Development Center** locations around the country. **SBDC's** provide management assistance to current and prospective small business owners.
- SCORE is a powerful source of free and confidential small business advice to help build your business. More than 10,000 SCORE volunteers are available to share their wisdom and lessons learned in business.
- The Small Business Training Network is a powerful virtual campus.
- And finally, **Women's Business Centers** assist women in achieving their dreams by helping them start and run successful businesses. Some 90 WBCs are located around the country.

Click on these resources to learn more and access their assistance.

Other Resources

- [Resources](#)
- [Course Outline](#)

Type of Information	Resource Link
• Demographics – Research Your Market	http://sbdcnnet.org/SBIC/demographics.php
• SBDCNet - Marketing	http://sbdcnnet.org/SBIC/marketing.php
• Business Plan Workshop	http://app1.sba.gov/sbtn/registration/index.cfm?CourseId=1
• SBDC Marketing Guide	http://uwadmnweb.uwyo.edu/sbdc/starting/marketing.htm



Section 7: Additional Assistance | Slide 24

GROWING A BUSINESS

www.sba.gov

These additional and more specific resources can help you find demographic information about your market and provide more detailed information about marketing and advertising.

Knowledge is power. Use these resources to help you.

Have a Question?

■ [Resources](#)
■ [Course Outline](#)

- **Call SBA** – 1-800 U ASK SBA (1-800 827-5722)
- **E-mail SBA** – answerdesk@sba.gov
- **Ask a [SCORE counselor](#)** online.
- **Find an [SBA district office](#)** near you.
- **Find an [SBDC office](#)** near you.



Section 8: Have A Question?

Slide 25

GROWING A BUSINESS

www.sba.gov

I am sure you have questions....

This course has covered a great deal of material. And, there is much to learn and understand about marketing. If you have questions about market research, developing a marketing plan or general questions about expanding your market share, contact SBA or one of our resource partners. We will do our best help you.

Use the 800 number or referenced hyperlinks to contact us directly.

SBA SMALL BUSINESS TRAINING NETWORK PRESENTS...

Course Completion Certificate

CONGRATULATIONS ON COMPLETING THIS COURSE.

WE HOPE IT WAS HELPFUL AND PROVIDED A GOOD WORKING KNOWLEDGE OF THE SUBJECT.

YOU EARNED A CERTIFICATE OF COMPLETION FROM THE SBA. CLICK THE PRINT BUTTON TO RECEIVE IT. THANK YOU....

[Print Certificate](#)



CONGRATULATIONS ON COMPLETING THIS COURSE.

WE HOPE IT WAS HELPFUL AND PROVIDED A GOOD WORKING KNOWLEDGE OF MARKETING BASICS.

YOU EARNED A CERTIFICATE OF COMPLETION FROM THE SBA.

Thank you for completing the Marketing Basics course and good luck with your business and future plans. Click the button below to receive a Certificate of Completion for this course from the SBA.